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## **Slovakia**

### **Trade Policy Monitoring**

# **Impact of EU Accession on U.S. Agricultural Exports 2003**

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**Report Highlights:** U.S. agricultural exporters will face higher tariffs on poultry meat, fish, dried fruits and nuts, and tobacco. Import tariffs will decline for U.S. pork, planting seeds, wine, bourbon, whisky and cigarettes. Animal producer prices in Slovakia will rise by 14-19%. Income for cereal producers will rise 15%-20%. The government plans to add to or 'top up' the initial EU producer subsidies that will be given to Slovak farmers.

**This report contains a spreadsheet comparison of pre- and post-accession tariffs for those agricultural products where the United States holds a seven percent or higher import market share (see Appendix I).**

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Includes PSD changes: No  
Includes Trade Matrix: No  
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## I. Effects of the CAP on Producers and Production Patterns

### General Background on the Agricultural Sector

Roughly 500,000 Slovaks, or 10% of the population, are involved in the agricultural sector. Conditions are generally poor and problems with credit and a divergence between commodity prices and input prices continue to hurt producers. The government's State Support Fund to Agriculture provides some loans to the agro-food sector at subsidized interest rates. The agriculture sector was mostly privatized by 1997 and the restructuring involved the liquidation of a number of state farms that were broken down into smaller privately held units. Because of the resulting patchwork ownership of agricultural land, many owners lease their land to cooperative farms and over half of arable land is farmed by cooperatives. The most important agricultural products are pork (18.9%), cereals (15.6%), milk (12.1%), vegetables (9.4%), beef (8.9%), and poultry (5.5%).

EU accession is driving a wide range of regulatory changes in the agricultural sector as Slovak food processing regulations, veterinary laws, and administration of subsidy programs are brought up to EU standards. In addition to a wide range of technical assistance, Slovakia receives about \$16 million annually under the EU's SAPARD program to develop the agricultural sector.

Agricultural production fell heavily in 1999 and 2000 to about 65% and 57% respectively of 1990 levels. This was mainly due to a large fall in livestock production after 1999. While livestock production has lost much of its previous importance, crop production has remained fairly stable, except for the year 2000. Agricultural assistance (measured on a PSE basis) fell substantially to 1% in 1996, before surging to 27% in 1998, and 22% in 2000. Consumer and taxpayer transfers to farmers totaled SKK 15.6 billion in 2000.

The total financial transfers were as follows in Table 1.

Table 1 Recent Subsidies to the Agro-food Sector

SKK Million			
RESOURCES	2000	2001	2001/2000
<i>Ministry of agriculture</i>	12,540	10,298	82.12
subsidies (state functions)	11,277	9,091	80.61
general services (directly from budget)	1,263	1,207	95.57
<i>State Funds</i>	3,252	49,302	151.6
subsidies from budget for SFMR	694	-	-
grants from State Funds	1,095	2,083	190.23
loans from state funds (SFMR, SSFAFI)	1,463	2,847	194.6
<i>Other institutions</i>	1,709	1,782	104.27
Finance Ministry (tax relieves) <sup>1</sup>	1,494	1,564	104.68
foreign resources (PHARE and training progr.)	215	218	101.39

Total resources	17,501	17,010	97.19
Resources without loans from State Funds	16,038	14,163	88.31

Source: MA SR, SFMR, SSFAFI, SFPEAL, Green Report 2002

1) refund of excise duty on diesel oil

2) including intervention covering the price difference between domestic and imported cereals

### A. Arable Crop Assessment

After accession agricultural prices will rise in response to the affects of the EU's Common Agricultural Policy (CAP) and in response to changes in the purchasing power of consumers. According to one study, prices of plant and animal production will increase in 2004/2006 to 108 to 110% of their 2000-2001 levels. Plant production prices will rise by around 3% while animal production prices by 13%. The most significant price changes are expected in sugar beet and oilseed production (Table 2).

Table 2 - Producer Prices and Commodity Support

Commodity	Agricultural producers' price index (2004-2006 /2000-2001), %	Commodity support, producers price 2000-2001 %	Commodity support, producers price 2004-2006 (assuming 55-65% of direct payments) %
Wheat	106.7	6.49	31.3
Barley	92.1	7.54	44.5
Rape-seed	122.7	6.13	28.9
Potatoes	64.3	16.45	0
Sugar beet	176.3	8.63	0
Milk	133.6	10.99	1.2
Slaughtered cattle	126.7	3.61	27.1
Hogs	101.1	0.32	0
Poultry	90.1	0	0

Source: RIAFE, 2003

Under the assumption of a full national 'top-up' of EU subsidies in the Slovak Republic, the biggest positive impact on farmer income will be seen for cereals and oilseeds (15-20%). Commodity support will increase compared to its pre-accession level, but there will be no commodity support for sugar beets and potato production (Table 2). Sugar beet profitability will increase by up to 50% (due to the CAP's production limiting quotas and the resulting higher prices), while financial returns on potato production will decline.

Slovak agriculture is less intensive than in other central European Countries. In 2001, Slovakia matched EU yield levels only for sunflower-seed. Other crop yields only reached 60-70% of EU levels while potato production only reached 42%.

### B. Use of Direct Payments

Direct aid from the EU after the accession will be phased in over 10 years. Slovakia and other new member states will thus receive 25% of the full EU rate in 2004, rising to 30% in 2005 and 35% in 2006. Payments will flow from the guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF). This level can be 'topped up' by 30% using Slovak government funds. This would bring the farmer's direct payments up to up to 55% of EU levels in 2004, 60% in 2005 and 65% in 2006.

Through 2006, the top-up payments can be co-financed by up to 40% of the EU-level using the new member states' rural development funds. However, the share of EU rural development funds used for the top-up cannot exceed 20% (or 25% in 2004, 20% in 2005 and 15% in 2006). Beginning in 2007, the new member states may continue to top-up EU direct payments by up to 30% above the applicable phasing-in level in the relevant year but this must be financed entirely by national funds. Farmers from the new member states, including Slovakia, will have full and immediate access to Common Agricultural Policy (CAP) market measures, such as export refunds, which will contribute to stabilizing their incomes.

In spite of the equal level of direct payments in 2004-2006 there will be substantial differences among the new member states, especially in base area payments (75% of the total amount of direct payments). Base area payment includes cereals, oilseeds, protein crops and flax. During 2004-2006 Slovakia will be eligible on average for €153.5/ha for these types of payments (Estonia €90.7 /ha, Slovenia 199.2 €/ha). Table 3 shows different variants of direct payments in Slovakia in 2004-2005.

Table 3 Slovak Direct Payments

	Units	2004
Agricultural land in	1000 ha	2,444
Base area	1000 ha	1,003.5
Reference yield	(t/ha)	4.06
Direct payments on base area		
- 30% top-up	Euro/ha	140.7
- 15% top-up	Euro/ha	102.3
- 0% top-up	Euro/ha	63.9
25% from the EU	mil. Euro	73
55% maximum mil. Euro (30% top-up)	Euro/ha	160.6
Direct payments per hectar		
- 55% maximum (30% top-up)	Euro/ha	65.71
- 25% (0% top-up)	Euro/ha	29.87
- 40% (15% top-up)	Euro/ha	47.79
Simplified scheme (no set aside)	Euro/ha	30.6
Rural development with 20% transfer to Direct Payments	mil. SKK	4,771
of which – EU	mil. SKK	3,817
- Slovakia	mil. SKK	954
Rural development without transfer to Direct Payments	mil. SKK	5,964
of which – EU	mil. SKK	4,771
- Slovakia	mil. SKK	1193
		<b>2005</b>
30% from the EU	mil. Euro	88
60% maximum mil. Euro (30% top-up)	mil. Euro	176
Direct payments per hectar		
- 60% maximum (30% top-up)	mil. Euro	72.01
- 30% (0% top-up)	mil. Euro	36.01
- 45% (15% top-up)	mil. Euro	54.01
Rural development with 20% transfer to Direct Payments	mil. SKK	5,217
of which – EU	mil. SKK	4,172
-Slovakia	mil. SKK	1,043
Rural development without transfer to Direct Payments	mil. SKK	6,521
of which – EU	mil. SKK	5,217
- Slovakia	mil. SKK	1,304

Source: RIAFE, EC EC, 2003

The Slovak Government plans to ‘top-up’ direct payment to the maximum allowed level. Slovak farmers will receive more money as a part of the EU than they had before<sup>1</sup>. A Maximum 40% of this package can be used for production support, the other 60% are designed for “program and product payments”.

<sup>1</sup> According to the Slovak Ministry of Finance, farmers will receive 19-21billion Sk in 2004 compared to 13 billion. Sk in 2003. A maximum of 10-11 billion Sk will be used for direct agricultural compensation.

It should be noted that the Slovak Ministry of Finance supports a 15% top-up. Under the assumption that all new member states will use maximum 30% top-up, this would place Slovak agriculture at a disadvantage relative to other new members. A final decision on the level of top-up in Slovakia depends on government budget resources and the political influence of the agricultural lobby.

In addition, if the Slovakia government is not ready for full application of CAP (i.e., they lack the necessary administrative structure to distribute payments, police programs, etc.) using IACS<sup>2</sup>, then only a “simplified scheme” of direct payments will be applied.

Farmers will also receive additional support from II pillar of the CAP (decoupled payments), of which the most important will be support for agro-environmental and disadvantaged areas. For so called ‘disadvantaged’ areas, compensation could range from €25 to €200/ha using the EU’s ‘Pillar II’ funds. Land considered to be disadvantaged be as high as 1.4 - 1.7 million hectares (more than two thirds of utilized agricultural land and roughly one third the of the total area of Slovakia).

### **C. Expected Changes in Livestock Production**

Animal production prices in Slovakia will rise by 14-19%. The highest gain, 33%, is expected for milk prices (Table 2).

Commodity support will decline compared to its pre-accession level for milk production. Support will increase for beef. There will be no support for hog or poultry production. An increase in feed costs could cause pork production to fall six to seven percent.

Poultry meat price on the EU market will change by around 3%, while on the Slovak market it can expect a fall between 4 –10%. Profitability in the hog and poultry sectors will fall by five to six percent.

The development of livestock production in mountainous areas will be limited by suckle cows quotas and a drop in support (by around €80 per head) compared to its current levels is expected.

### **D. Future Use of Export Subsidies**

With EU membership, Slovakia’s export subsidy system will be terminated and the full EU export refund system will be installed.

Export subsidies, especially on dairy products and malt, totaled SKK 535 million in 2000, up from SKK 491 million in 1999. Subsidies paid in 2000 represented 65% of WTO limits. In 2001, export subsidies were provided for dairy products, malt, potatoes, sugar, processed vegetables and slaughter bulls.

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<sup>2</sup> Integrated administration and control system for certain Community aid schemes established by Council Regulation (EEC) No 3508/92 (OJ L 355, 5.12.1992, p. 1).

### **Section III - Post Estimate of U.S. Trade Losses**

#### **A. Existing Tariffs and Preferential Agreements**

In 2001 the simple average MFN tariff was 6.1%, down from 8% in 1995, while tariff dispersion also narrowed. In 2001, preferential tariffs (excluding GSP) averaged 2%, (for comparison, the average rate on EU imports was 2.4%).

In comparison with its most important trading partners (EU, Hungary, Poland) Slovakia has applied a rather low level of customs tariffs. For a large number of important agricultural products (except wine) the level of applied customs duties was in 2000 almost equal to the final bound rate allowed by GATT/WTO. In comparison with the European Union, the level of customs duties applied for most commodities was much lower.

Most agricultural goods are protected by relatively high tariffs. The MFN average agricultural product tariff goods was 13%, around three times that for non-agricultural products. MFN tariff rates amount to 21.1% for all cereals, 59.5% for raw and white sugar and between 34% (beef) and 110% (sheep) for meat. The tariff rates also vary considerable for milk and milk products ranging from 9% for cheese to 68% for butter.

All tariffs are ad valorem. However, tariff transparency is undermined by duty exemptions, higher seasonal rates on certain flowers, fruits and vegetables, as well as by the existence of number of different rates.

Tariff rate quotas (TRQs) are applied to animal products, beverages, and tobacco. "First-come, first-serve" global MFN tariff quotas apply to 24 agricultural product categories to provide "minimum and current" market access following tariffication of non-tariff measures. High in-quota and out-of-quota rates apply on many products, up to 70% and 125%, respectively. Many quotas were substantially under-utilized; average utilization rates fell from 45% in 1998 to 34% in 2000. Temporary MFN tariff quotas with zero in-quota rates also apply on products considered to be in short supply. Preferential tariff quotas exist in regional trading agreements. On overlapping products, MFN agricultural tariff quotas include preferential quota imports.

The new Customs Law of 2001, aligning Slovakia's customs procedures with those of the EU, improved customs efficiency.

Preferential tariff cuts within regional arrangements exceed multilateral reductions. EU industrial products receive duty-free treatment, and preferential access is given to agricultural products. Slovakia's customs union with the Czech Republic provides for free trade, subject to certain exceptions on foodstuffs. Slovakia also has a free-trade agreement with EFTA member States, other CEFTA parties, as well as bilaterally with the Baltic States, Israel, and Turkey. Slovakia has a bilateral agreement under which Slovakia grants within the tariff-rate quota for poultry meat (0207) a 300 ton quota to the United States. As Slovakia will adopt the EU legislation upon accession this TRQ becomes a part of the total EU obligations.

#### **U.S. Agricultural Products Facing Higher Tariffs after EU Accession**



The following products, by HS code, face higher tariffs after Slovakia's EU accession:

0105 11, 0105 12, 0202 30, 0207 13 (poultry meat, chicken parts), 0208 90, 0303 11 (fish frozen), 03 04 10 (fish fillet), 0407 00, 0802 11-12 (almonds - USA PS), 080540 (grapefruit fresh), 0806 20 (raisins), 0813 20 (dried fruits, prunes – USA PS), 1003 00 (barley, except seed, NESOI), 1006 30 (rice, milled, medium-milled, NES), 1515 21, 1517 10, 1602 50 (beef, prepared, preserved), 2009 20, 2009 70, 2309 90 10 (pet food), 2401 (tobacco), 4408 10

(For Information on Principal Supplier, see Appendix C)

**B. Post estimates of lost trade due to implementation of EU legislation, including legislation that has been implemented in the last five years**

Slovak agricultural imports (in dollar terms) increased 51% in 2002 compare to 1994. The highest relative gain are imports from the United States (118%). The relative increase in U.S. share was double the EU percentage change, even when considering currency fluctuations. A decline in imports from the United States in 2000 was related to the overall decline of Slovak imports. In 2001, imports from the United States increased again.

Slovakia is harmonizing standards, technical regulations, and conformity testing procedures with the EU. Testing and standardization processes have been simplified. Self-declared certification by manufacturers and importers has been introduced. Slovakia maintains strict quarantine and other SPS regulations affecting food imports. For example, imports of potatoes, and fruits such as apples and pears, are subject to rigorous surveillance, based on pest risk assessments. Imports of GMO food and meat treated with growth-promoting hormones are banned.

It is unclear what post EU-accession role Slovakia will play the debate over GM-crops. In February 2002, Slovakia passed a comprehensive law governing agricultural biotechnology. This law was based heavily on EU rules and was passed in part to speed EU accession. Slovakia approved its first GM-derived feed in 2003 (a Bt corn variety) under this new law. There is no commercial planting of GM crops but field testing of a Canadian GM-soybean is underway. (See GAIN report LO2002 for an English copy the Act and implementing legislation.)

EU agricultural products exports to Slovakia rose up during 1994-2001 by 50%, while Slovak agricultural products Exports to the EU increased by only 36%. Much of this growth in trade is due to the 2000 'double-zero-agreement.'<sup>3</sup> In 2001 almost 78% of Slovak exports, and 66% of the EU agricultural exports entered Slovakia duty free. This has put some U.S. agricultural products at a tariff disadvantage to the EU. The introduction of EU preferential tariffs will extend the list of preferential suppliers to Slovakia, including many developing African, Caribbean, Pacific and Mediterranean countries.

Slovakia strongly supports the EU's push for stronger protection of geographical indications, including for alcoholic beverages.

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<sup>3</sup>This included duty free trade in some items as well as ending the export subsidies in bilateral trade (hence the name 'double zero')

Table 4 Slovak agricultural products imports (Chapters 01-24) 1994-2002 in 1000 USD

	1994	1995	1996	1997	1998	1999	2000	2001	2002
USA	5,396	5,770	8,274	10,249	10,974	11,230	8,352	10,253	11,742
% change to previous year		7	43	24	7	2	-26	23	15
% of total agricultural import	0.87	0.74	0.95	1.20	1.23	1.42	1.10	1.16	1.25
EÚ – 15	209611	276,575	319,083	319,793	343,109	283,454	296,897	316,305	331,325
% change to previous year		32	15	0	7	-17	5	7	5
% of total agricultural import	33.67	44.43	51.26	51.37	55.12	45.54	47.70	50.81	53.23
Total agricultural import	622,481	784,114	869,852	855,047	889,880	788,920	759,116	884,172	941,529
% change to previous year		26	11	-2	4	-11	-4	16	6
Average exchange rate SKK/USD	32.05	29.71	30.65	33.62	35.23	41.36	46.2	48.36	45.28

	% change 2002/1994
USA	117.62
% change to previous year	
% of total agricultural import	
EÚ – 15	58.07
% change to previous year	
% of total agricultural import	
Total agricultural import	51.25
% change to previous year	
Average exchange rate SKK/USD	

## Section IV Most Important U.S. Agricultural Exports

The most imported commodities from the United States from 1998-2002 were:

By volume (more than 100,000 kg): 41015030 (raw hides and skins), 10063092 (round grain rice), 21069098 (protein concentrates), 10063098 (long grain rice), 22083052 (whiskies), 23099099 (dog or cat food), 08132000 (dried prunes), 33049900, 44089085, 3042058, 21069092 (protein concentrates), 10059000 (corn feed), 22083082 (whiskies), 22083011, 08021290 (almonds), 07134000 (dried lentils), 35040000 (peptones and their derivatives), 6049190 (mosses and lichens)

By value (more than 10 mill. SKK): 21069092 (protein concentrates), 41015030 (raw hides and skins), 21061080 (protein concentrates), 21069098, 33049900 (beauty or make-up), 33072000 (pre-shave, shaving), 44089085 (sheets for veneering), 6049190 (mosses and lichens), 8021290 (almonds), 22083011 (whiskies), 12060010, 22083082, 13021300, 5111000, 8132000, 35040000, 22083052, 23099099 (dog or cat food), 3042058 (frozen fish fillets), 10063092 (round grain rice).

Ten and more times higher imports from USA in 2002 compare to 1998 were reached for: 17049099, 13021991, 44219098, 22089069, 22042179, 33059010, 3042058, 12022000, 20091199, 22083052. Double and higher amount of imports from USA in 2002 were for: 12119098, 15042090, 33021090, 22083082, 17025000, 13023900, 8134095, 22089057, 10063092, 3042095, 6041090, 8021290, 17049075, 7129090, 8140000, 35069900, 33043000, 33072000, 21069098, 22042182.

During 1998-2000 decline of import several commodities from the USA was observed (as well as decline of total import), followed by an increase again in 2002. Mainly for: 22083082 (whiskies), 3042058, 10063092.

Import certain commodities declined in 2002 compare to 1998 by more than 50%:

51111119, 41043119, 10063098, 12099190, 33041000, 06049990, 21061020, 33042000, 44089085, 08021210, 33071000, 12060010, 24021000, 33030090, 13021300, 33051000, 10051011, 33061000, 10063092, 07134000, 03037520, 01069000, 06031080, 0271391, 03037998, 10051090, 20092999, 08062012.

### The United States as Principle Supplier

(see also Appendix I)

According to the Slovak Customs Statistics in 2002, the USA is the principal supplier of the selected commodities:

100% of import by volume as well as by value:

3037520, 8021210, 8029020, 8135039, 15043090, 22042981, 33012690, 35029020

more than 7% of import by volume:

15131199, 17025000, 22083011, 10070010, 8021290, 22083082, 8140000, 22083019, 8062098, 3037819, 33011390, 5090010, 22083052, 8021190, 35040000, 44072490, 10051090, 8062018, 33062000, 6049190, 3042058, 3037811, 15042090, 41015030, 13019090, 8132000, 5111000, 8134095, 7129011, 3049047, 12060091, 13021300, 3074959, 44079910, 20092999, 22042183, 13021991, 33011290, 10051011, 8104010, 3037998, 10051013, 20081913, 10051019, 5059000, 12060010, 33043000, 21069098, 33072000, 22042181, 3042095, 10059000, 21061080, 41044151,

24021000, 22085011

more than 7% of import by value:

17025000, 22083011, 10070010, 22083019, 44072490, 8140000, 8021290, 22083082, 15131199, 8062098, 12149091, 3037819, 13021991, 15042090, 5090010, 35040000, 8062018, 5111000, 35079010, 33011390, 8132000, 8134095, 6049190, 21061080, 12060091, 10051090, 13021300, 3037811, 44079910, 3042058, 41015030, 7129011, 8021190, 5059000, 22042183, 3049047, 41044151, 20099098, 3037998, 10059000, 10051019, 35051090, 33062000, 22083052, 20092999, 3074959, 21012092, 10051013, 33072000, 13019090, 7139090, 20081913, 13021930, 22042184, 8104010, 33011290, 12060010, 16042010, 10051011, 22085011, 15079010, 44079139, 6049129, 21069098

## **Section V Market Access opportunities**

### **A. Agricultural Products with lower tariffs after EU accession**

For the majority of agricultural commodities Slovakia had lower tariff incidence than EU in 1995-2000.

Based on 2002 and 2001 Slovakia and EU tariffs there will be lower tariffs after the accession for import :

0203 19 (swine meat), 0206 10 (bovine offal), 0206 22, 0206 41, 0207 13 (poultry liver, chicken), 0712 90 (sweet corn SD), 1005 90 (corn, feed), 1204, 1206 (sunflower seed), 1210 (hops), 2202 (mineral water, sodas), 2204 21 (grape wine, NESOI), 2208 30 (bourbon, whisky), 2208 50 (gin), 2309 90 20 (pet food), 2402 20 (cigarettes), 071340

### **B. Products where EU accession will remove a non-tariff barrier**

Slovakia has used questionable import safeguard legislation several times in recent years for pork and sugar. Slovakia's national use of import safeguards should disappear with EU membership.

### **C. Changing consumption patterns**

Food expenditures represent about 30% of household expenditures in Slovakia (roughly double than in the EU and almost three times as the United States). Consumption of vegetables, fruits, and dairy products will certainly rise as the result of ongoing changes in consumers' preferences and increasing income.

Under the optimistic assumption that salaries will increase faster than prices after EU accession, and prices of main agricultural commodities in EU market will decline, the impact on Slovak consumers should not be too harsh, especially in Urban areas. Foodstuff expenditure will increase momentarily after the accession, then they will decline as a result of foodstuff price stability on the EU market, (Slovak crown appreciation and change in relative prices of food and non-food goods). Even though prices of basic commodities will rise immediately after the accession, we can expect no change in consumption of basic commodities in Slovakia.

This expectation could be optimistic since new tax reform will be introduced since January 2004. Besides other tax changes, value added tax (VAT) on basic foodstuff will rise from 14 to 20% (it is

5% Czech Republic, 0%-10% in Austria 0-10%, and less than 10% in Hungary).

The growth in agricultural imports reflects a more general tendency observable also in other CEEC's economies in the form of a quite drastic shift in consumer preferences in response to an increase of incomes and a change of tastes. As a result of this trend, more than one third of the overall deficit in agro-food trade was attributable to the imports of commodities which are not easily domestically substitutable (e.g. bananas, citrus fruits, rice, soya meal, fish fillets, coffee, cocoa, etc.)

Table 5 Consumption of selected types of foodstuffs per capita in Slovakia  
(kg per year)

Foodstuff	1990	1993	2000	2 0 0 1 estimate	2001- 2000	Recommended Food intake	Consumption EU-15 1996
Meat (bone-in)	84.	64.9	60.9	57.8	-3.1	57.3	96.8 <sup>3</sup>
Milk and dairy products	226.3	170.6	160.2	164.4	4.2	220	240
Fats total	25.3	24.3	23.9	24.1	0.2	22	n.a.
Potatoes	85.8	89.	68.1	66.7	-1.4	80.6	73.5 <sup>4</sup>
Legumes	1.9	1.9	1.9	1.9	0	2.6	2.4 <sup>4</sup>
Vegetables <sup>1</sup>	100.6	108.3	94.2	89.9	-4.3	127.9	116.8
Fruits <sup>2</sup>	54	64.4	56.8	54.9	-1.9	96.7	112.8

Source: SSO, EUROSTAT, RIAFE, Green Report

<sup>1</sup>Vegetables and vegetable products (fresh equivalent)

<sup>2</sup> Fruit and vegetables except for nuts

<sup>3</sup> 1999

<sup>4</sup> 1998/1999

**Appendix I - Products Where the United States is a Principle Supplier  
(i.e., more than 7% by trade volume)**

Slovak CN code	Import from USA kg	Total import Kg	%
3037520	3,400	3,400	100.00%
8021210	1,562	1,562	100.00%
8029020	400	400	100.00%
8135039	942	942	100.00%
15043090	3	3	100.00%
22042981	450	450	100.00%
33012690	13	13	100.00%
35029020	1	1	100.00%
15131199	1,633	1,659	98.43%
17025000	152,026	162,791	93.39%
22083011	182,106	209,265	87.02%
10070010	12,128	14,396	84.25%
8021290	213,524	289,972	73.64%
22083082	341,554	501,453	68.11%
8140000	1,026	1,513	67.81%
22083019	207	367	56.40%
8062098	77,410	139,226	55.60%
3037819	144,166	262,783	54.86%
33011390	30	60	50.00%
5090010	8	17	47.06%
22083052	102,754	249,707	41.15%
8021190	693	1,783	38.87%
35040000	152,613	395,827	38.56%
44072490	704	1,874	37.57%
10051090	5,699	16,570	34.39%
8062018	21,124	62,087	34.02%
33062000	10,092	30,967	32.59%
6049190	130,487	412,575	31.63%
3042058	512,431	1,709,214	29.98%
3037811	40,074	150,404	26.64%
15042090	1,647	6,230	26.44%
41015030	1,222,687	4,706,361	25.98%
13019090	1,289	4,967	25.95%
8132000	166,096	641,347	25.90%
5111000	473	1,848	25.60%
8134095	4,216	16,682	25.27%
7129011	4,243	19,829	21.40%
3049047	20,003	94,653	21.13%
12060091	5,988	29,514	20.29%
13021300	10,774	57,205	18.83%
3074959	54	288	18.75%
44079910	62,370	335,436	18.59%
20092999	28,255	153,460	18.41%
22042183	637	3,872	16.45%
13021991	1,388	8,474	16.38%
33011290	4	29	13.79%
10051011	32,823	263,189	12.47%
8104010	8	65	12.31%

3037998	29,453	243,055	12.12%
10051013	17,636	153,685	11.48%
20081913	10,284	91,200	11.28%
10051019	6,979	69,876	9.99%
5059000	10	101	9.90%
12060010	31,978	326,306	9.80%
33043000	20,851	232,688	8.96%
21069098	517,861	5,865,305	8.83%
33072000	102,140	1,182,655	8.64%
22042181	1,013	12,422	8.15%
3042095	66,771	873,711	7.64%
10059000	115,974	1,594,823	7.27%
21061080	57,654	794,770	7.25%
41044151	9,196	126,975	7.24%
24021000	2,223	30,741	7.23%
22085011	18,195	257,044	7.08%

**List of products where the USA is a principal supplier  
(more than 7% by value, SKK)**

Slovak CN code	Import from USA SKK	Total import SKK	po..tane
3037520	314,419	314,419	100.00%
8021210	256,297	256,297	100.00%
8029020	42,147	42,147	100.00%
8135039	24,374	24,374	100.00%
15043090	28,896	28,896	100.00%
22042981	19,853	19,853	100.00%
33012690	27,521	27,521	100.00%
35029020	980	980	100.00%
17025000	5,316,331	6,117,313	86.91%
22083011	32,747,467	37,842,473	86.54%
10070010	1,463,604	1,752,572	83.51%
22083019	127,923	155,837	82.09%
44072490	422,477	528,930	79.87%
8140000	441,861	566,903	77.94%
8021290	33,805,355	44,758,527	75.53%
22083082	40,985,242	56,882,830	72.05%
15131199	89,185	124,335	71.73%
8062098	3,439,475	5,513,559	62.38%
12149091	676,251	1,146,651	58.98%
3037819	11,038,865	19,173,674	57.57%
13021991	3,140,531	5,676,478	55.33%
15042090	1,282,895	2,332,495	55.00%
5090010	37,188	72,606	51.22%
35040000	23,920,266	55,042,354	43.46%
8062018	985,309	2,423,332	40.66%
5111000	17,284,092	43,693,684	39.56%
35079010	30,184	77,256	39.07%
33011390	7,651	19,584	39.07%
8132000	14,782,883	39,611,227	37.32%
8134095	1,228,258	3,554,729	34.55%
6049190	34,131,292	101,541,980	33.61%
21061080	27,465,665	87,728,640	31.31%
12060091	264,625	847,219	31.23%

10051090	477,750	1,540,223	31.02%
13021300	14,187,101	50,689,306	27.99%
3037811	2,623,012	9,690,063	27.07%
44079910	7,462,076	28,543,751	26.14%
3042058	34,964,702	141,707,792	24.67%
41015030	79,796,779	336,333,063	23.73%
7129011	2,374,648	10,097,858	23.52%
8021190	21,968	97,922	22.43%
5059000	53,832	242,808	22.17%
22042183	120,304	555,425	21.66%
3049047	1,442,073	7,011,126	20.57%
41044151	14,784,037	74,479,861	19.85%
20099098	2,574,541	13,564,141	18.98%
3037998	2,552,751	13,742,956	18.57%
10059000	2,317,906	13,728,543	16.88%
10051019	782,322	4,743,962	16.49%
35051090	876,322	5,596,301	15.66%
33062000	1,589,448	10,692,577	14.86%
22083052	7,004,246	50,379,945	13.90%
20092999	1,458,494	10,825,746	13.47%
3074959	9,483	70,643	13.42%
21012092	8,002,408	60,256,371	13.28%
10051013	1,636,050	12,355,289	13.24%
33072000	29,633,060	266,317,582	11.13%
13019090	243,802	2,223,661	10.96%
7139090	91,172	834,776	10.92%
20081913	1,601,666	14,700,245	10.90%
13021930	2,729,106	25,406,039	10.74%
22042184	100,196	943,742	10.62%
8104010	1,237	12,694	9.74%
33011290	1,806	18,584	9.72%
12060010	6,318,506	65,532,138	9.64%
16042010	143,522	1,586,525	9.05%
10051011	2,903,351	32,265,215	9.00%
22085011	1,393,947	15,763,370	8.84%
15079010	618,374	7,218,735	8.57%
44079139	356,562	4,615,021	7.73%
6049129	167,738	2,225,172	7.54%
21069098	45,406,179	608,926,486	7.46%



## Appendix II Matrix Analysis of Affected US. Agricultural Exports

	Live chicken, breeder	Live turkey, breeder	BFWO/B, CRC,FRZ Bovine, boneless, carcasses, frozen	Swine meet, PRC fresh or chilled	Bovine offal, edible, frozen or chilled
Slovakia's Applied Tariff, 2003	6.00%	6.00%	34.00%	38.50%	2.0 and 3.0 %
EU Common External (Applied) Tariff 2003	52 E/1000 p/st [7 - 8 %]	152 E/1000 p/st [20 %]	12.8 + 211.1 E/100 kg/net [72 %]	60.1 E/100 kg/net [22 %]	free
Slovakia TRQ (In Quota Tariff, Quantity) 2003			(30 %; 496 t )	(30 %; 1,302 t )	
CY 2002 Imports from U.S. (USD) UN Trade St	\$0	\$0	\$0	\$0	\$0
CY 2002 Total Imports (USD)	\$7,607,610	\$1,154,908	\$1,375,934	\$5,128,586	\$10,200
Largest supplier (CY 2002, USD)	Czech Republic  \$5,950,156	France  \$443,181	Czech Republic  \$863,086	Czech Republic  \$5,050,232	Poland  \$10,200
SCN 6	0105 11	0105 12	0202 30	0203 19	0206 10
US HS SUFFIX	10		6000	2000	0

	Bovine livers, edible, frozen	Swine livers, edible, frozen	Poultry meat, chicken parts	Poultry liver, chicken	Meat and edible meat offal, MESOI, fresh, chilled or frozen
Slovakia's Applied Tariff, 2003	2.00%	2.00%	9.0 and 43.0 %	9.0 and 43.0 %	free
EU Common External (Applied) Tariff 2003	free	free	102.4 E/100 kg [60 %]	6.4	6.4
Slovakia TRQ (In Quota Tariff, Quantity) 2003			(24 %; 3,620 t ) 300 t USA	(24 %; 3,620 t )	
CY 2002 Imports from U.S. (USD) UN Trade St	\$0	\$0	\$0	\$0	\$0
CY 2002 Total Imports (USD)	\$1,573	\$296,410	\$182,390	\$182,390	\$0
Largest supplier (CY 2002, USD)	Netherlands \$1573	Denmark \$94686	Czech Republic \$ \$118249	Czech Republic \$118249	\$0
SCN 6	0206 22	0206 41	0207 13	0207 13	0208 90
US HS SUFFIX	0	0			0

	F i s h , frozen	Fish, Filet	Hatching eggs	Bovine semen	Sweet corn SD
Slovakia's Applied Tariff 2003	free	free	2.8 and 17.0 %	free	1.5 and 2.0 and 8.0%
EU Common External (Applied) Tariff 2003	2%	2%	105 E/100 p/st [110 %]	free	free
Slovakia TRQ (In Quota Tariff, Quantity) 2003					
CY 2002 Imports from U.S. (USD) UN Trade St	\$0	\$0	\$0	\$381,253	\$81,242
CY 2002 Total Imports (USD)	\$1,354	\$55,819	\$1,061,211	\$963,796	\$2,113,349
Largest supplier (CY 2002, USD)	Italy \$1354	Ireland \$52684	Czech Republic \$632119	USA \$381253	Czech Republic \$451300
SCN 6	0303 11	0304 10	0407 00	0511 10	0712 90
US HS SUFFIX				0	8050

	Dry beans	Almonds, unshelled	Almonds, shelled	Grapefruit, fresh	Raisins
Slovakia's Applied Tariff 2003	free	free	free	free	1.5 and 2.0 %
EU Common External (Applied) Tariff 2003	free	5.6 or 2	3.5 or 2	1.5 (except 5/01 through 10/31 : 2.4)	2.40%
Slovakia TRQ (In Quota Tariff, Quantity) 2003					
CY 2002 Imports from U.S. (USD) UN Trade St	\$623	\$485	\$751,332	\$4,428	\$127,398
CY 2002 Total Imports (USD)	\$2,550,694	\$2,160	\$992,938	\$2,281,873	\$1,138,767
Largest supplier (CY 2002, USD)	China \$1428402	Italy \$1259	USA \$751332	Cyprus \$987752	Iran \$719086
SCN 6	0713 33	0802 11	0802 12	0805 40	0806 20
US HS SUFFIX	5020	0	0	0	

	Dried Fruits, Prunes	Barley, except seed, NESOI	Corn seed	Corn, feed	Rice, milled, medium-
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					milled, NES
Slovakia's Applied Tariff 2003	0.80%	21.20%	free	17.00%	free
EU Common External (Applied) Tariff 2003	9.0%	93 E/t [120 %]	free	free	416 E/t [63 %]
Slovakia TRQ (In Quota Tariff, Quantity) 2003					
CY 2002 Imports from U.S. (USD) UN Trade St	\$326,081	\$0	\$473,873	\$51,128	\$299,715
CY 2002 Total Imports (USD)	\$873,745	\$1,482,356	\$6,187,519	\$302,824	\$9,019,903
Largest supplier (CY 2002, USD)	USA \$326081	Ukraine \$960016	Hungary \$3973298	Hungary \$87557	Italy \$5582037
SCN 6	0813 20	1003 00	1005 10	1005 90	1006 30
US HS SUFFIX		4090	10	2000	9020

	Soybeans	Peanuts, human cons	Linseed	Sunflower seed	Hops
Slovakia's Applied Tariff 2003	free	free	free and 1.7 %	8.5 and 40.0 %	9.00%
EU Common External (Applied) Tariff 2003	free	free	free	free	5.80%
Slovakia TRQ (In Quota Tariff, Quantity) 2003				(10 %; 2,020 t )	
CY 2002 Imports from U.S. (USD) UN Trade St	\$6,102	\$0	\$0	\$145,211	\$0
CY 2002 Total Imports (USD)	\$980,220	\$1,748,304	\$54,291	\$1,556,745	\$1,088,289
Largest supplier (CY 2002, USD)	Netherlands \$610929	China \$1718003	Canada \$26630	France \$566921	Czech Republic \$697292
SCN 6	1201	1202 10	1204	1206	1210
US HS SUFFIX					

	Corn oil	Margarine, excluding liquid margarine	Beef, prepared, preserved	Grapefruit juice	Apple juice, concentrate, frozen
Slovakia's Applied Tariff 2003	5.00%	30.00%	18.00%	free	20.00%
EU Common External (Applied) Tariff 2003	6.40%	8.3 + 28.4 E/100 kg/net [46 %]	303.4 E/100 kg/net [114 %]	12%	30 + 20.6 E/100 kg/net [77 %]
Slovakia TRQ (In Quota Tariff, Quantity) 2003		(20%; 4,260 t )			

CY 2002 Imports from U.S. (USD) UN Trade St	\$0	\$0	\$0	\$0	\$0
CY 2002 Total Imports (USD)	\$1,257	\$9,640,149	\$180,381	\$0	\$0
Largest supplier (CY 2002, USD)	Austria \$780	Czech Republic \$9343035	Czech Republic \$110996	%0	%0
SCN 6	1515 21	1517 10	1602 50	2009 20	2009 70
US HS SUFFIX		0	9500		1000

	Mineral water, sodas	Grape wine NESOI	Bourbon, whisky	Gin	Pet food
Slovakia's Applied Tariff, 2003	9.3 and 22.0 %	30.00%	8.50%	12.70%	2.00%
EU Common External (Applied) Tariff 2003	9.60%	13.1 E/hl [9 - 11 %]	free	free	3.80%
Slovakia TRQ (In Quota Tariff, Quantity) 2003	(11%; 10,160 t )	(25 %; 2,850 t)			
CY 2002 Imports from U.S. (USD) UN Trade St	\$85,953	\$49,968	\$1,800,301	\$30,748	\$383,030
CY 2002 Total Imports (USD)	\$22,730,103	\$3,890,755	\$4,102,653	\$367,947	\$35,981,477
Largest supplier (CY 2002, USD)	Czech Republic \$14757143	Czech Republic \$1519598	Great Britain \$1880131	Great Britain \$206812	Czech Republic \$9962445
SCN 6	2202	2204 21	2208 30	2208 50	2309 90
US HS SUFFIX		2000 and 4000			1000

	Tobacco	Cigarettes	Veneer, hardw
Slovakia's Applied Tariff 2003	3.4 and 6.0 %	55.00%	1.80%
EU Common External (Applied) Tariff 2003	18.40%	10%	4%
Slovakia TRQ (In Quota Tariff, Quantity) 2003			
CY 2002 Imports from U.S. (USD) UN Trade St	\$0	\$2,675	\$0
CY 2002 Total Imports (USD)	\$10,529,938	\$54,762,170	\$333,883
Largest supplier (CY 2002, USD)	Germany \$4875037	Czech Republic \$53442828	Czech Republic \$149789
SCN 6	2401	2402 20	4408 10
US HS SUFFIX			

### Appendix III Products for which EU Tariffs will be Higher than Current Slovak Tariffs

SCN	Slovakia	EU	
0203 19 11	38.5	60.1 E/100 kg/net	
0203 19 13	38.5	86.9	
0203 19 15	38.5	46.7	
0203 19 55	38.5	86.9	
0203 19 59	38.5	86.9	
0206 10 95	2	12.8 + 303.4 E/100 kg/net	
0207 13 10	43	102.4 E/100 kg/net	
0207 13 50	43	60.2	
0207 13 60	43	46.3	
0207 13 70	43	100.8	
0208 90 10	free	6.4	
0208 90 55	free	6.4	
0208 90 60	free	9	
0208 90 95	free	9	
0303 78 19	free	15	
0304 20 58	free	7.5	
0304 10 13	free	2	
0304 10 15	free	12	
0304 10 17	free	12	
0304 10 19	free	9	
0304 10 31 - 38	free	18	
0304 10 91	free	8	
0304 10 98	free	15	
03075910	free	8	in 2001
0407 00 11	2.8	105 E/1000 p/st	
0407 00 19	2.8	35 E/1000 p/st	
0407 00 30	17	30.4 E/1000 p/st	
0604 10 90	1	5	
0604 91 90	1	2	
0712 90 05	8	10.2	
0712 90 19	2	9.4 E/100 kg/net	
0712 90 30 - 90	1.5	12.8	
0802 12 90	free	3.5	
0802 11 90	free	5.6	
0802 12 90	free	3.5	
0813 20 00	0.8	9.6	
0813 50 91	free	8	in 2001
0814 00 00	free	1.6	
1005 10 90	free	94 E/t	
1006 30 92	free	416 E/t	
1006 30 98	free	416 E/t	
10070010	free	6.4	in 2001
1504 1099	free	3.8	in 2001
1507 10 90	free	6.8	in 2001
1513 19 19	free	10.9	in 2001

1515 21 90	5	6.4	
1517 10 10	30	8.3 + 28.4 E/100 kg/net	
1602 50 10	18	303.4 E/100 kg/net	
1604 20 90	free	14	in 2001
1702 11 00	20	14 E/100kg net	in 2001
2008 11 96	free	12	in 2001
2009 19 99	free	12.2	in 2001
2101 20 92	2	6.00	
2106 10 20	4	12.80	
2106 90 92	6.9	12.80	
2202 90 10	9.3	6.4 + 13.7 E/100 kg/net	in 2001
2202 90 91	9.3	5.5 + 12.1 E/100 kg/net	in 2001
2202 90 95	9.3	5.5 + 12.1 E/100 kg/net	
2202 90 99	9.3	5.4 + 21.2 E/100 kg/net	
2309 90 31	2	23 E/t	
2309 90 99	2	9.6	
2309 90 10	2	3.8	
2401 10 10 - 49	6	18.4 MIN 22 E, MAX 24 E/100 kg/net	
2401 10 50 - 90	6	11.2 MIN 22 E, MAX 56 E/100 kg/net	
2401 20 10 - 49	6	18.4 MIN 22 E, MAX 24 E/100 kg/net	
2401 20 50 - 90	6	11.2 MIN 22 E, MAX 56 E/100 kg/net	
2402 20 90	55	57.6	
4408 10 15	1.8	3	
4408 10 93	1.8	4	
4408 10 99	1.8	4	

**Appendix VI - EU Accession Policy Time Line**

1991	the beginning of transition, fundamental shift from centrally planned to market economy of Czech and Slovak Federal Republic
1991 February	Poland Hungary and Czechoslovakia signed the Visegrad joint Declaration
1991 December	The Association Agreement between EC and the CSFR
1991	GSP - a preferential tariff regime, with respect to the EC common external tariff had been applied to CSFR
1992 January	a new, restructured customs tariff was put into provisional effect, with an average tariff rate of 10.7% [Review of Agricultural policy, 1994].
1992 February	Variable system of non-tariff barriers has been introduced
1992 December	CEFTA agreement was signed, covered most industrial and agricultural sectors
1993 January 1 <sup>st</sup>	Slovak Republic starts operate as separate economy - The Customs Union with the Czech Republic
1993 April	Slovakia obtained full membership in GATT
1993 October 4 <sup>th</sup>	Separate Association Agreement between EC and the Slovakia was signed
1994 January	New licensing system has been applicable;
1994 May	Food quality certificates requirement for importers
1995 January 1 <sup>st</sup>	Slovakia obtained full membership in WTO. The new tariff system which fulfilled requirements of GATT was introduced
1995 February 1 <sup>st</sup>	- Association agreement EU and Slovakia came into effect - Slovakia and the EU start to provide bilateral trade TRQ preferences
1995 June	Slovakia formally applied for EU membership
1997 December	Luxemburg Summit on EU enlargement, Slovakia was placed to the 2 <sup>nd</sup> group
1998 March 3 <sup>rd</sup>	Negotiations on enlargement start between the EU and 10 Central and East European countries.
1999 December	Helsinki Summit, six countries including Slovakia received official invitation for the association negotiations
2000 July 1 <sup>st</sup>	“Double Zero” Agreement. Further agricultural products trade preferences, including free of duty handling
2000 December 13 <sup>th</sup>	The Nice meeting of the Europe Council endorsed a road map of the negotiations and a calendar with the “Chapters”
2002 April	“Double profit” Agreement. Duty free concessions and no export subsidy in the bilateral trade EU and Slovakia, effective from July 2003
2002	Plant and Animal Health chapters closed (Slovakia receives derogation for some slaughterhouse and animal farm issues)
2002 December	Latest EU regular Report on Slovakia published. Agreement on the crop production area and animal stock quotas which determine direct payments
2002 December 14 <sup>th</sup>	Copenhagen Summit - final decisions on the financial questions
2003 April	2 <sup>nd</sup> round of “Double Profit” Agreement ended up. Bilateral duty free concessions and no export subsidy on processed food effective since June 2003.
2003 April 16	Official signing ceremony of the Enlargement in Athens
2003 May 16-17 <sup>th</sup>	Successful referendum on Slovakia’s EU membership